



**EAHCP Budget Work Group  
Meeting Minutes  
October 4, 2018**

Members of this workgroup include: Tom Taggart (City of San Marcos), Adam Yablonski (Medina County Farm Bureau), Myron Hess (Texas Living Waters Project), Steven Raabe (SARA), Brock Curry (EAA), and Mary Bailey (SAWS).

**1. Call to order – 1:10pm**

Tom Taggart called roll for the Work Group. All members were present.

**2. Public Comment**

Alesia Garlock, a citizen advocate, asked if the Edwards Aquifer Authority had any intention of using the Land and Water Conservation Fund to support EAA conservation programs. Mr. Taggart thank Ms. Garlock for her inquiry and recommended that she redirect her question to Edwards Aquifer Authority. Brock Curry encouraged Ms. Garlock to contact EAA staff for additional information.

**3. Budget Work Group Introduction**

Brock Curry introduced the Work Group agenda and described the purpose of the meeting.

**4. Presentation of the Aquifer Storage Recovery (ASR) and Voluntary Irrigation Suspension Program Option (VISPO) programs.**

Javier Hernandez, Edwards Aquifer Authority staff, provided an update and overview of the ASR and VISPO programs. In 2019, the total costs for the ASR Program will be about \$6,603,929 This expenditure comprises forbearance agreements, leases, and operations and maintenance injection costs. Under the VISPO program, 40,000 acre-feet of water is required in forbearance agreements. The target for 2019 is to maintain a 40,921.214 acre-feet balance and to pursue renewals for the expiring 5-year forbearance agreement. The estimated cost for the VISPO program in 2019 is \$2,389,175.

**5. Presentation and discussion of the updated Drought of Record forecasts and probabilities.**

Shelly Hendrix, Edwards Aquifer Authority staff, presented the updated Drought of Record probabilities. Based on historical data from J-17 and current aquifer levels as of October 1, 2018, there is a 0% change that VISPO will trigger in 2019. Based on modeling scenarios, there is a 36% probability of the 10-year recharge trigger for the ASR Forbearance program occurring at least once by 2027. However, it should be noted once 2015 and 2016 drop out of the 10-year average, the probability of an ASR trigger occurring before 2026 is about 10%.

**6. Presentation and discussion of the EAA Budget Adoption Process and 2019 Proposed EAA and EAHCP Budget.**

Ms. Hendrix presented to the Budget Work Group the EAA budget process, the EAHCP 7.1 budget table and proposed 2019 budgets for the EAHCP and the EAA, as it relates to the EAHCP budget. Budget comparisons and projections of both budgets do not include expenses that arise during the occurrence of a trigger event of either ASR, VISPO or a Critical Period. Overall, the proposed budget for EAHCP in 2019 is \$19,187,076. This total includes the expenditures associated with the ASR program, RWCP, VISPO, refugia, program management, modeling and research, the San Marcos Springs and the Comal Springs.

Ms. Hendrix provided three tables detailing Table 7.1, Table 7.1A Projected Totals and the difference between the two values for the EAA, City of San Marcos and City of New Braunfels. Mr. Taggart clarified the underlying cause between the differences in Table 7.1 and Table 7.1A.

Ms. Hendrix presented the EAA Aquifer Management Fee and EAHCP Reserve Fund to the Work Group. The EAHCP Reserve Projections include EAHCP actual expenses, estimates/forecasts, the reserve cap/floor and the AMF rate as it changes overtime. Mary Bailey asked for clarification on the decrease in the EAA general estimate/forecast that occurs between 2018 and 2019. Ms. Hendrix answered that a decline in acre-feet leases within various programs was considered in the reserve projections.

The financial impacts of four drought scenarios on the EAHCP reserve forecast were also presented to the Work Group. The four scenarios described the change in forecast rates in the event of VISPO forbearance and ASR recovery/filling.

Lastly, Ms. Hendrix and EAA staff presented the EAHCP program administration costs and explained a financial alternative to transfer those expenditures to the EAA budget.

At the conclusion of the Budget Work Group meeting, Mr. Taggart summarized key areas of consensus to provide to the Implementing Committee for discussion at their next meeting. The Budget Work Group Report details these key topics.

**7. Consider future meetings, dates, locations, and agendas.**

The Work Group recommended a meeting of the Budget Work Group to be held in April 2019.

**8. Questions and comments from the public.**

No comments.

**9. Adjourn: 3:34pm**